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## IN THE UNITED STATES DISTRICT COURT DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GREEN UNITED, LLC, et al.,

Defendants.

DEFENDANTS GREEN UNITED, LLC, WRIGHT W. THURSTON, AND RELIEF DEFENDANTS' MOTION FOR LEAVE TO FILE AN OVERLENGTH MEMORANDUM IN SUPPORT OF THEIR MOTION TO DISMISS PLAINTIFF'S AMENDED COMPLAINT

Case No. 2:23-cv-00159-HCN-CMR Judge Howard C. Nielson Magistrate Judge Cecilia M. Romero

Defendants Green United, LLC ("Green United") and Wright W. Thurston ("Thurston") and Relief Defendants True North United Investments, LLC ("True North") and Block Brothers, LLC ("Block Brothers") (collectively, the "Defendants"), through counsel of record, pursuant to DUCivR 7-1(a)(6)(A), request that the Court grant leave to submit an overlength Memorandum in Support of their Motion to Dismiss the Amended Complaint filed by Plaintiff Securities and Exchange Commission ("SEC"). As previously stipulated, Green United, Thurston and the

Relief Defendants will file their Motion to Dismiss on Wednesday, March 20, 2024. Green United, Thurston and the Relief Defendants request up to an additional 9 pages (34 pages in total), for their Memorandum in Support of their Motion to Dismiss (the "Motion").

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Green United, Thurston and the Relief Defendants have good cause to request an additional 9 pages for their Memorandum in Support. First, Green United, Thurston and the Relief Defendants previously filed a Motion to Dismiss the SEC's original Complaint. That Motion was fully briefed, argued, and pending decision or additional argument when the SEC requested to amend its Complaint. Defendants did not oppose the SEC's request to amend its Complaint. The Court previously granted the parties an additional 12 pages (37 pages in total) for their Memorandum in Support of their Motion to Dismiss. [Dkt. 29]. It is both fair and equitable to again allow Green United, Thurston and the Relief Defendants additional pages of argument for its renewed Motion to Dismiss to address all the arguments previously submitted to this Court for decision. However, unlike Defendants' previous Memorandum that required 12 additional pages, the Defendants here only request an additional 9 pages.

Second, the additional pages are necessary because this case involves the sale of computer hardware and software. However, the SEC's claims that the equipment sales constitute sales of securities as "investment contracts" because the equipment involves digital rewards. In Green United and Thurston's Motion, they request that the Court dismiss the SEC's Complaint in its entirety under Rule 12(b)(6) because there are no "securities" in this action and thereby the SEC does not have jurisdiction to bring its claims in the Complaint. Green United and Thurston require additional pages to explain the SEC's novel theories of asserting that the sale of computer machines and software fit within the *Howey* test. In addition, Green United and Thurston argue that even if securities are present, the SEC fails to plead its fraud claims with

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Finally, Green United, Thurston and Relief Defendants require the additional pages for their third argument regarding the constitutional considerations and implications of the SEC's Amended Complaint. Currently, there are numerous debates in Congress and among federal agencies as to the regulatory parameters of cryptocurrencies, blockchain technologies, and digital rewards. Notwithstanding market confusion regarding regulation of this new industry, the SEC continues to file enforcement actions to shift the burden of rulemaking from Congress to the Court. Green United, Thurston and Relief Defendants require additional pages to fully apprise the Court of the seemingly daily updates to these debates and the resulting constitutional considerations, including Major Questions Doctrine and fair notice.

Based on the foregoing, Green United, Thurston and the Relief Defendants request leave to file an overlength Motion to Dismiss with an additional 9 pages (34 pages in total). A proposed Order is filed concurrently herewith.

DATED this 18th day of March 2024.

## PARSONS BEHLE AND LATIMER

/s/ Jonathan D. Bletzacker Jonathan D. Bletzacker

Adam Ott

and Wright W. Thurston and Relief Defendants True North United Investment, LLC and Block

Attorneys for Defendants Green United, LLC,

Brothers, LLC

## **CERTIFICATE OF SERVICE**

On this 18th day of March 2024, I hereby certify that I electronically filed a true and correct copy of the foregoing with the Clerk of the Court using the CM/ECF system, which sent notification and service to all counsel of record.

/s/ Jonathan D. Bletzacker